

RECORD OF PROCEEDINGS
Minutes of Committee of the Whole Meeting
Held January 5, 2015

The meeting was called to order by President of Council Larry Oberdorf, and was opened with the Pledge of Allegiance.

ROLL CALL: Oberdorf, Eckel, Marquette, Ruse, Wagner, and Minarcin all present. Mr. Oberdorf moved and Mrs. Eckel seconded the motion to excuse Mr. Staczek whose mother is in the hospital. All ayes. Motion carried.

APPROVAL OF AGENDA: Mr. Ruse moved and Mrs. Eckel seconded the motion to accept the agenda for January 5, 2015. All ayes. Motion carried.

Mr. Oberdorf said since Mr. Ruse had suggested this meeting he would ask him to outline the motivation for this meeting. Mr. Ruse said the purpose of the meeting is for council to lay out its priorities for the city keeping in mind that financially we do not have an open checkbook. He said we need to maximize the money we do have and look for all other potential sources of funds. He referenced capital planning items such as a new fire truck, road resurfacing projects, the city share of resurfacing SR65, and a new public works employee saying it was important to get councils thoughts and look at planning as a year to year thing or a long term plan.

Mr. Marquette asked if NWWSD has a responsibility to fix the roads they tear up and was told by Mr. Ruse yes, but only to the condition there were originally in and that the public works committee is working on guidelines and obligations of the contractor for these projects. Mrs. Eckel said the issue the committee has had with NWWSD is them saying that the pavement is already failing.

Mr. Oberdorf suggested all questions be deferred until after the PowerPoint presentation by Mr. Ciecka and Mrs. Freeman.

Mr. Ciecka asked council to indicate their priorities with Mr. Ruse saying this is basically a strategic planning session.

PRIORITIES

Mr. Marquette – roads, handicap facility at marina, public service staffing

Mr. Wagner – repair or purchase new fire engine

Mr. Oberdorf – economic development, develop regionalization i.e. shared services

Mr. Minarcin – refuse pickup proposals, police staffing, passage of upcoming levy, administrative staff training

Mr. Ruse – schools, property value decrease, upgrade of municipal building, Ford Club

Mrs. Eckel – roads, facility at Veterans Park, improve vehicle replacement program for public works, money to upgrade parks, money for downtown area plan.

Council then used colored stickers to rank the order of importance of priorities and the attached list was compiled from this information (see written list).

FINANCE DIRECTOR PRESENTATION (See written report)

Mrs. Freeman reviewed the city's statement of financial policies, the state rating guidelines for financial health, and indicated the 2015 forecast is for \$3.3million to be in reserves which is just over the \$3million needed for six months of operations. Mr. Ciecka said our primary revenue is from payroll income tax which has been seeing an increase but as revenue sharing from the state local government funds have been cut by legislative action we are just staying even. Mr. Ruse said we have been lucky with the increase in payroll income tax but we cannot expect that to continue. Mrs. Freeman agreed and said her five year projection is flat. Mr. Ruse asked what is the advantage of having an A+ rating versus an AAA rating and was told by Mrs. Freeman it gives us a better interest rate on notes and bonds. Mr. Marquette asked what the difference is and was told up to a 1% difference.

Mrs. Freeman also presented the five year outlook which showed:

1. A decrease in income taxes due to HB #5
2. No significant influx of new business
3. State revenue sharing remaining flat
4. Assumes the 3.5 mill levy is renewed

She projected an annual increase of 2.5% in general fund expenditures for the five years with no new staffing and outlined the debt commitments to 2034. She also outlined the five year capital requests for public works, police, and the administration which included renovation of the municipal building and updating personal computers and our internet. She said they are not looking for decisions tonight but wanted idea of what council saw as priorities and wanted to council to know the five year outlook.

GENERAL DISCUSSION

Mr. Ciecka said council should note that the Recreation Center is not self-sufficient and will require \$200,000 from the general fund for 2015. Mr. Oberdorf said the recreation committee is at the planning stages now and may look at revenue (levy increase) at a later date.

Mr. Wagner asked if the lack of the 2nd fire truck caused a problem and will Northwood continue to cover us under our mutual aid agreement. Chief Drouard said he does not believe it has caused a problem and he also does not think Northwood will stop covering us.

Mrs. Eckel said the one big issue is roads and that the scale of improvements needed is high and expensive and that we need a plan for reconstruction. Mr. Oberdorf said we may need to look at unpopular things such as assessing or a general bond issue down the road. Mr. Minarcin said the people he has talked to are willing to pay for a road levy. Mr. Ruse said there is a large financial amount of road projects needed. Mrs. Eckel said that regionalization (NWWSD) has caused a significant impact to our road issue and their standards are different. Mr. Marquette said we should pay more attention to staying in compliance with state and federal laws and Mr. Ciecka responded that was an excellent point as recently the municipal building had a fire inspection and we needed to spend some money to get in compliance. Mr. Ciecka responded to Mrs. Eckel that we could not have afforded to do the projects and work that was done through being a member of NWWSD.

Mr. Oberdorf suggested council review the information and possibly schedule another committee of the whole meeting. He also thanked Mr. Ciecka and Mrs. Freeman for their hard work on this. Mrs. Eckel said the public works committee does need to get going on road projects so can go out for bids. Mr. Minarcin said Colony Rd. is terrible but 2015 is when the pumping station is replaced so nothing will be done until after that work is completed.

Mr. Oberdorf asked about the agenda for the January 12th regular council meeting and seeing none so far Mrs. Eckel moved and Mr. Wagner seconded the motion to suspend with the January 12th meeting. All ayes. Motion carried.

Mr. Ruse said now we have ideas but need to get into the money that will be needed. Mr. Marquette said the committees need to look at the priorities. Mrs. Eckel said we need to figure out how to pay for roads but we cannot afford to delay because decent roads will go bad. Mr. Minarcin said the finance committee will come up with the dollar numbers. Mr. Marquette said we need to address unimproved streets and Mr. Ruse said those streets will involve assessments as the policy was stated last year and we can document a plan.

Mr. Wagner moved and Mr. Marquette seconded the motion to adjourn. All ayes. Motion carried.

Larry Oberdorf
President of Council

Robert P. Watrol
Clerk of Council